

OPEN MEETING ITEM

2/18/10

COMMISSIONERS
 KRISTIN K. MAYES, Chairman
 GARY PIERCE
 PAUL NEWMAN
 SANDRA D. KENNEDY
 BOB STUMP

ERNEST G. JOHNSON
 EXECUTIVE DIRECTOR

ORIGINAL



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 Phoenix, AZ 85007
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ARIZONA CORPORATION COMMISSION

TO: Kristin K. Mayes, Chairman
 Gary Pierce
 Paul Newman
 Sandra D. Kennedy
 Bob Stump

FROM: Matthew J. Neubert *[Signature]*
 Director of Securities

DATE: February 2, 2010

RE: Default Order Against Michael C. Reynolds, Cash 2 U, LLC, Dos Ninas, LLC,
 and Par 3 Management, LLC, and Proposed Order and Consent Regarding Tanzia
 Reynolds, Docket No. S-20692A-09-0372

CC: Ernest G. Johnson, Executive Director

Arizona Corporation Commission
DOCKETED

FEB - 4 2010



Please find attached a proposed Default Order to Cease and Desist, for Restitution and for Administrative Penalties against Respondents Michael C. Reynolds, Cash 2 U, LLC, Dos Ninas, LLC, and Par 3 Management (collectively "Respondents"), and an Order to Cease and Desist, For Restitution and for Administrative Penalties and Consent to Same by Tanzia Reynolds ("Order"). Respondents Michael C. Reynolds, Cash 2 U, LLC, Dos Ninas, LLC, and Par 3 Management have not appeared in or defended this matter within the required time limits. Tanzia Reynolds is named as a party to this action to determine the liability of the marital community.

The Order contains findings that from 2004 through 2008, Respondents offered and sold \$2,993,755 in notes and investment contracts to 16 investors, all of whom reside in Arizona, in order to open payday loan stores or expand the product line of existing payday loan stores. The terms of the notes included an annual interest rate of five and one-half percent to 48 percent, with interest paid monthly. The Respondents guaranteed the notes by using Michael Reynolds' home as collateral or the accounts receivable of the payday loan stores. However, none of the promised stores opened, the product lines were not expanded, a few investors received some monthly interest payments but the majority did not, and the investors were not told of the existing mortgage on Michael Reynolds' house.

The Order also contains findings that Respondents violated A.R.S. §§ 44-1841 and 44-1842 for selling unregistered securities while not being registered as dealers or salesmen, or exempt from registration, and the anti-fraud provision of the Securities Act, A.R.S. § 44-1991. Respondents are ordered to pay \$2,993,755 in restitution and an \$150,000 administrative penalty, jointly and severally with the marital community of Michael C. Reynolds and Tanzia Reynolds.

The Division recommends this Default and Consent as appropriate, in the public interest, and necessary for the protection of investors.

Originator: Aikaterine Vervilos

1
2 **BEFORE THE ARIZONA CORPORATION COMMISSION**

3
4 **COMMISSIONERS**

5 KRISTIN K. MAYES, Chairman
6 GARY PIERCE
7 PAUL NEWMAN
8 SANDRA D. KENNEDY
9 BOB STUMP

10 In the matter of:

11 MICHAEL C. REYNOLDS, a married man;

12 TANZIA REYNOLDS, a married woman;

13 CASH 2 U, LLC, an Arizona limited liability
14 company;

15 DOS NINAS, LLC, an Arizona limited
16 liability company;

17 PAR 3 MANAGEMENT, LLC, an Arizona
18 limited liability company;

19 Respondents.

DOCKET NO. S-20692A-09-0372

DECISION NO. _____

**ORDER TO CEASE AND DESIST, ORDER
FOR RESTITUTION AND ORDER FOR
ADMINISTRATIVE PENALTIES**

**DEFAULT BY: MICHAEL C. REYNOLDS,
CASH 2 U, LLC, DOS NINAS, LLC, AND
PAR 3 MANAGEMENT, LLC; AND**

**CONSENT TO SAME BY: TANZIA
REYNOLDS**

20 On July 27, 2009, the Securities Division ("Division") of the Arizona Corporation
21 Commission ("Commission") filed a Notice of Opportunity for Hearing Regarding Proposed Order
22 to Cease and Desist, Order for Restitution, Order for Administrative Penalties and for other
23 Affirmative Action ("Notice") in the matter against Respondents Michael C. Reynolds, Tanzia
24 Reynolds, Cash 2 U, LLC, Dos Ninas, LLC and Par 3 Management, LLC.

25 Respondents Michael C. Reynolds, Cash 2 U, LLC, Dos Ninas, LLC and Par 3 Management,
26 LLC were personally served on July 28, 2009. Respondents Michael C. Reynolds, Cash 2 U, LLC,
Dos Ninas, LLC and Par 3 Management, LLC failed to request an administrative hearing within ten
days pursuant to A.R.S. § 44-1972 and A.A.C. R14-4-306. Respondents Michael C. Reynolds,

1 Cash 2 U, LLC, Dos Ninas, LLC and Par 3 Management, LLC failed to file an Answer within 30 days
2 pursuant to A.A.C. R14-4-305.

3 Respondent Tanzia Reynolds ("T. REYNOLDS") was served by certified mail on July 31,
4 2009. On August 13, 2009, Respondent T. REYNOLDS filed a request for a hearing.

5 Respondent T. REYNOLDS elects to permanently waive any right to a hearing and appeal
6 under Articles 11 and 12 of the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* ("Securities
7 Act") with respect to this Order To Cease and Desist, Order for Restitution, and Order for
8 Administrative Penalties ("Order") and Consent to Same. Respondent T. REYNOLDS admits the
9 jurisdiction of the Arizona Corporation Commission ("Commission"); neither admits nor denies
10 the Findings of Fact and Conclusions of Law contained in this Order; and consents to the entry of
11 this Order by the Commission.

12 **I.**

13 **FINDINGS OF FACT**

14 1. The Commission has jurisdiction over this matter pursuant to Article XV of the
15 Arizona Constitution and the Securities Act.

16 2. MICHAEL C. REYNOLDS ("REYNOLDS") is an individual who, at all relevant
17 times, resided in Maricopa County, Arizona.

18 3. At all relevant times, REYNOLDS conducted business as Friendship Finance or
19 Friendship Finance, LLC (collectively "Friendship").¹

20 4. TANZIA REYNOLDS ("T. REYNOLDS") is an individual who, at all relevant
21 times, resided in Maricopa County, Arizona.

22 5. REYNOLDS and T. REYNOLDS are husband and wife. T. REYNOLDS is joined
23 in this action under A.R.S. § 44-2031(C) solely for purposes of determining the liability of the
24 marital community.

25 _____
26 ¹ Friendship Finance, Inc. is an Arizona corporation owned by REYNOLDS' father-in-law and not REYNOLDS. Additionally, Friendship Finance is an Arizona registered trade name owned by someone other than any of the Respondents.

1 6. At all times relevant, REYNOLDS was acting for REYNOLDS' own benefit and for
2 the benefit or in furtherance of REYNOLDS and T. REYNOLDS' marital community.

3 7. CASH 2 U, LLC ("CASH") is an Arizona limited liability company organized on
4 June 24, 1999. At all relevant times, CASH had its principal place of business in Maricopa
5 County, Arizona.

6 8. Pursuant to the public records of the Commission, REYNOLDS has been the sole
7 manager of CASH since June 24, 1999.

8 9. DOS NINAS, LLC ("DOS") is an Arizona limited liability company organized on
9 November 13, 2003. At all relevant times, DOS had its principal place of business in Maricopa
10 County, Arizona.

11 10. Pursuant to the public records of the Commission, REYNOLDS has been the sole
12 manager of DOS since November 13, 2003.

13 11. PAR 3 MANAGEMENT, LLC ("PAR 3") is an Arizona limited liability company
14 organized on June 17, 2003. At all relevant times, PAR 3 had its principal place of business in
15 Maricopa County, Arizona.

16 12. Pursuant to the public records of the Commission, REYNOLDS has been the sole
17 manager of PAR 3 since June 17, 2003.

18 13. REYNOLDS, CASH, DOS and PAR 3 may be referred to collectively as
19 "Respondents."

20 14. In or around 2004 through 2008, the Respondents touted an investment opportunity
21 in payday loan stores ("stores").

22 15. Respondents represented to the investors that funds would be used to expand the
23 stores in one of two ways. The expansion would occur through increasing the number of stores and
24 offering title loans.

1 16. The Respondents raised at least \$3,000,000 from at least 14 investors residing in
2 Arizona through the offer and sale of promissory notes and investment contracts in the form of
3 membership interests in a limited liability company in order to fund the expansion of the stores.

4 **A. PROMISSORY NOTES**

5 17. CASH, DOS, PAR 3, and REYNOLDS issued promissory notes. REYNOLDS,
6 individually, and/or on behalf of CASH, DOS or PAR 3, signed the promissory notes.

7 18. REYNOLDS, individually and on behalf of CASH, told at least one investor that
8 CASH was a "recession-proof" business.

9 19. REYNOLDS and CASH promised various interest rates to the investors. Each of
10 the promissory notes had a stated annual rate of return varying from seven and a half percent to 48
11 percent. Also, each of the promissory notes state interest would be paid monthly, and depending
12 on the promissory note, the terms were from two months to one year.

13 20. REYNOLDS and PAR 3 promised to pay an investor a monthly interest payment of
14 \$4,500.

15 21. REYNOLDS and DOS promised to an investor a return of five and a half percent a
16 month for a term of one year.

17 22. Some investors received a few interest payments but then the payments stopped or
18 the interest checks were not honored because of insufficient funds. Respondents misrepresented
19 that the investors would receive monthly interest payments until the promissory notes became due
20 and payable.

21 23. Respondents represented that the repayment of the notes were guaranteed by the use
22 of collateral in the form of a lien against the personal residence of Reynolds or the accounts
23 receivable of his stores.

24 24. Respondents failed to tell the investors that there was a mortgage on REYNOLDS'
25 residence, that the residence had been pledged as security to other investors, that there was no
26

1 documentation to allow the investors to exercise their security interest in the collateral and/or that
2 there were no accounts and loans receivable to pledge as security for the notes.

3 **B. INVESTMENT CONTRACT**

4 25. REYNOLDS and CASH entered into written agreements with at least three
5 investors whereby for an investment of funds the investor would purportedly receive a membership
6 interest in an Arizona limited liability company ("LLC") as well as a percentage interest of the net
7 cash flow of a new store that REYNOLDS and CASH would open in Arizona.

8 26. At least three investors contributed funds to receive the LLC interest and a
9 percentage interest of the net cash flow of a store.

10 27. REYNOLDS and CASH promised to form an Arizona LLC for each of the new
11 stores that included the investor as a member. In at least two instances, an Arizona LLC was not
12 formed. In another instance, REYNOLDS provided to the investor articles of organization for a
13 limited liability company called G5 Financial, LLC. However, REYNOLDS did not file the
14 requisite paperwork to form G5 Financial, LLC with the investor.

15 28. REYNOLDS and CASH promised the investors a percent of the net cash flow per
16 month. At least one investor was promised 50 percent of the net cash flow per month. At least two
17 other investors were promised 20 percent of the net cash flow per month. However, none of the
18 investors received a return because the stores did not open.

19 29. REYNOLDS and CASH promised to contribute their own capital to operate the
20 stores. For at least one investment, they promised to contribute \$150,000. In another instance,
21 they promised to contribute 40 percent of the capital plus "supply additional monies on an as-
22 needed basis to sustain growth." REYNOLDS and CASH failed to supply the amount of capital
23 promised.

24 30. REYNOLDS and CASH promised each of the investors REYNOLDS would
25 provide the requisite license to operate each store. REYNOLDS did not acquire from the
26

1 Department of Financial Institutions ("DFI") the required state licensing for the stores. In at least
2 two instances, REYNOLDS did not apply for DFI licensing.

3 31. REYNOLDS and CASH assigned the roles and responsibility for the investors and
4 REYNOLDS. In at least two instances, REYNOLDS, not the investor, would manage all facets of
5 the stores, including but not limited to providing the licensing, selecting the store location,
6 managing the operations of the business (i.e., daily operations, human resources, accounting,
7 marketing, technology, office management, and record keeping), and obtaining permits and
8 licenses. The investor's sole role was to provide the funding.

9 32. In another case, the agreement called for the investor and REYNOLDS to share
10 responsibilities. However, in practice, the investor had no input regarding the store other than to
11 provide the funds to open it. REYNOLDS handled all aspects of the store, including selecting the
12 store location and directing the remodeling of the selected site.

13 C. GENERAL ALLEGATIONS

14 33. Respondents used investor funds to pay personal expenses and to repay investors.
15 Respondents failed to disclose to the investors their funds would be used in this manner.

16 34. To at least two investors, REYNOLDS presented himself as the owner of
17 Friendship, an existing payday loan store operator and/or franchisor in Arizona; however,
18 REYNOLDS did not have an ownership interest in Friendship.

19 35. REYNOLDS provided to at least two investors documents showing REYNOLDS
20 was seeking investments for Friendship. One such document purported to show that Friendship
21 was engaged in a \$5 million capital raising program. The second such document purported to
22 show Friendship seeking short-term funding of \$250,000 to \$500,000 that paid an annual interest
23 rate of 36 percent.

24 36. In the Executive Summary of the short-term funding proposal, REYNOLDS stated
25 he has owned five stores and successfully operated them.
26

37. To some investors, REYNOLDS said he currently owned from three to six stores. REYNOLDS did not disclose he owned one store located in Mesa, Arizona. Furthermore, REYNOLDS did not disclose that he stopped loaning money to customers at the Mesa store.

38. Respondents failed to disclose to the investors the risks of investing, including but not limited to, their limited experience developing their own stores; their operating history which included an open store that stopped loaning out money and a closed store; stores that were purportedly to open with investor funds that did not open; limited resources to operate the stores; and the possibility of customer nonpayment.

39. At all times relevant, the Respondents were not registered with the Commission as dealers or salesmen.

40. At all times relevant, the promissory notes and investment contracts were not registered with the Commission.

II.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution and the Securities Act.

2. Respondents did not request a hearing pursuant to A.R.S. § 44-1972 and A.A.C. R14-4-307.

3. Respondents did not answer the Notice pursuant to A.A.C. R14-4-305.

4. Respondents offered or sold securities within or from Arizona, within the meaning of A.R.S. §§ 44-1801(15), 44-1801(21), and 44-1801(26).

5. Respondents violated A.R.S. § 44-1841 by offering or selling securities that were neither registered nor exempt from registration.

6. Respondents violated A.R.S. § 44-1842 by offering or selling securities while neither registered as a dealer or salesman nor exempt from registration.

1 7. Respondents violated A.R.S. § 44-1991 by (a) employing a device, scheme, or
2 artifice to defraud, (b) making untrue statements or misleading omissions of material facts, and (c)
3 engaging in transactions, practices, or courses of business that operate or would operate as a fraud
4 or deceit. The conduct included:

- 5 a. REYNOLDS misrepresented he had an ownership interest in Friendship when he
6 did not;
- 7 b. REYNOLDS misrepresented the number of stores he actually owned when he
8 owned one store in Mesa, Arizona and that the other stores he purported to own
9 were either closed or owned by someone else;
- 10 c. Respondents misrepresented the use of the funds when the funds were used for
11 purposes not intended by the investors, such as repaying investors and using it
12 for personal expenses instead of expanding the stores;
- 13 d. Respondents misrepresented that the investors would receive monthly interest
14 payments when the payments stopped before the promissory notes matured;
- 15 e. REYNOLDS and CASH misrepresented to at least three investors that invested
16 with REYNOLDS and CASH to open a store whereby each investor would hold
17 a membership interest in an LLC when none of the purported stores were
18 opened, REYNOLDS and CASH did not provide their promised capital
19 contributions, REYNOLDS did not file the requisite paperwork for the limited
20 liability companies and REYNOLDS did not acquire DFI licensing;
- 21 f. Respondents failed to disclose to the investors the risks of investing, including
22 but not limited to, Respondents limited experience developing their own stores;
23 their operating history which included an open store that rarely loaned out money
24 and a closed store; stores that were purportedly to open with investor funds that
25 did not open; limited resources to operate the stores; and the possibility of
26 customer nonpayment; and

1 g. Respondents failed to tell the investors that there was a mortgage on
2 REYNOLDS' residence, that the residence had been pledged as security to other
3 investors, that there was no documentation to create a security interest in the
4 collateral, and/or that there were no accounts and loans receivable to pledge as
5 security for the promissory notes.

6 8. REYNOLDS directly or indirectly controlled persons within the meaning of
7 A.R.S. § 44-1999, including but not limited to CASH 2 U, LLC, DOS NINAS, LLC, and PAR 3
8 MANAGEMENT, LLC. Therefore, REYNOLDS is jointly and severally liable under A.R.S. § 44-
9 1999 to the same extent as CASH 2 U, LLC, DOS NINAS, LLC, and PAR 3 MANAGEMENT, LLC
10 for its violations of A.R.S. § 44-1991.

11 9. Respondents' conduct is grounds for a cease and desist order pursuant to
12 A.R.S. § 44-2032.

13 10. Respondents' conduct is grounds for an order of restitution pursuant to
14 A.R.S. § 44-2032.

15 11. Respondents' conduct is grounds for administrative penalties under
16 A.R.S. § 44-2036.

17 12. REYNOLDS' conduct was for the benefit or in furtherance of REYNOLDS and T.
18 REYNOLDS' marital community and, pursuant to A.R.S. §§ 25-214 and 25-215, this Order of
19 restitution and administrative penalties is a debt of the community.

20 **III.**

21 **ORDER**

22 THEREFORE, on the basis of the Findings of Fact and Conclusions of Law, the
23 Commission finds that the following relief is appropriate, in the public interest, and necessary for the
24 protection of investors:
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26

1 IT IS ORDERED, pursuant to A.R.S. § 44-2032, that Respondents, and any of
2 Respondents' agents, employees, successors and assigns, permanently cease and desist from
3 violating the Securities Act.

4 IT IS ORDERED that T. REYNOLDS comply with the attached Consent to Entry of
5 Order.

6 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that Respondents and the
7 marital community of REYNOLDS and T. REYNOLDS shall, jointly and severally, pay restitution
8 to the Commission in the amount of \$2,993,755. Payment shall be made in full on the date of this
9 Order. Any amount outstanding shall accrue interest at the rate of 10% per annum from the date of
10 this Order until paid in full. Payment shall be made to the "State of Arizona" to be placed in an
11 interest-bearing account controlled by the Commission.

12 The Commission shall disburse the funds on a pro-rata basis to investors shown on the
13 records of the Commission. Any restitution funds that the Commission cannot disburse because an
14 investor refuses to accept such payment, or any restitution funds that cannot be disbursed to an
15 investor because the investor is deceased and the Commission cannot reasonably identify and
16 locate the deceased investor's spouse or natural children surviving at the time of the distribution,
17 shall be disbursed on a pro-rata basis to the remaining investors shown on the records of the
18 Commission. Any funds that the Commission determines it is unable to or cannot feasibly
19 disburse shall be transferred to the general fund of the state of Arizona.

20 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that Respondents and the
21 marital community of REYNOLDS and T. REYNOLDS shall, jointly and severally, with pay an
22 administrative penalty in the amount of \$150,000. Payment shall be made to the "State of
23 Arizona." Any amount outstanding shall accrue interest at the rate of 10% per annum from the
24 date of this Order until paid in full. The payment obligations for these administrative penalties
25 shall be subordinate to any restitution obligations ordered herein and shall become immediately
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1 due and payable only after restitution payments have been paid in full or upon Respondents'
2 default with respect to Respondents' restitution obligations.

3 For purposes of this Order, a bankruptcy filing by Respondents or T. REYNOLDS shall be
4 an act of default. If Respondents or T. REYNOLDS does not comply with this Order, any
5 outstanding balance may be deemed in default and shall be immediately due and payable.

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1 IT IS FURTHER ORDERED that this Order shall become effective immediately.

2 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

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CHAIRMAN

COMMISSIONER

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COMMISSIONER

COMMISSIONER

COMMISSIONER

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IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
Executive Director of the Arizona Corporation
Commission, have hereunto set my hand and caused the
official seal of the Commission to be affixed at the
Capitol, in the City of Phoenix, this _____ day of
_____, 2010.

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ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

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DISSENT

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DISSENT

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This document is available in alternative formats by contacting Shaylin Bernal, ADA Coordinator,
voice phone number 602-542-3931, e-mail sbernal@azcc.gov.

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24 (AV)

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CONSENT TO ENTRY OF ORDER

1
2 1. Respondent TANZIA REYNOLDS ("T. REYNOLDS") admits the jurisdiction of
3 the Commission over the subject matter of this proceeding. T. REYNOLDS acknowledges that T.
4 REYNOLDS has been fully advised of her right to a hearing to present evidence and call witnesses
5 and T. REYNOLDS knowingly and voluntarily waives any and all rights to a hearing before the
6 Commission and all other rights otherwise available under Article 11 of the Securities Act and
7 Title 14 of the Arizona Administrative Code. T. REYNOLDS acknowledges that this Order to
8 Cease and Desist, Order for Restitution and Order for Administrative Penalties ("Order") and
9 Consent to Same constitutes a valid final order of the Commission.

10 2. T. REYNOLDS knowingly and voluntarily waives any right under Article 12 of the
11 Securities Act to judicial review by any court by way of suit, appeal, or extraordinary relief
12 resulting from the entry of this Order.

13 3. T. REYNOLDS acknowledges and agrees that this Order is entered into freely and
14 voluntarily and that no promise was made or coercion used to induce such entry.

15 4. T. REYNOLDS acknowledges that T. REYNOLDS has been represented by an
16 attorney in this matter, she has reviewed this Order with her attorney, Jess Lorona, Esq., and
17 understands all terms it contains.

18 5. T. REYNOLDS neither admits nor denies the Findings of Fact and Conclusions of
19 Law contained in this Order; and consents to the entry of this Order by the Commission the
20 Findings of Fact and Conclusions of Law contained in this Order. T. REYNOLDS agrees that she
21 shall not contest the validity of the Findings of Fact and Conclusions of Law contained in this
22 Order in any present or future administrative proceeding before the Commission.

23 6. By consenting to the entry of this Order, T. REYNOLDS agrees not to take any
24 action or to make, or permit to be made, any public statement denying, directly or indirectly, any
25 Finding of Fact or Conclusion of Law in this Order or creating the impression that this Order is
26 without factual basis.

1 7. While this Order settles this administrative matter between T. REYNOLDS and the
2 Commission, T. REYNOLDS understands that this Order does not preclude the Commission from
3 instituting other administrative or civil proceedings based on violations that are not addressed by
4 this Order.

5 8. T. REYNOLDS understands that this Order does not preclude the Commission from
6 referring this matter to any governmental agency for administrative, civil, or criminal proceedings
7 that may be related to the matters addressed by this Order.

8 9. T. REYNOLDS understands that this Order does not preclude any other agency or
9 officer of the state of Arizona or its subdivisions from instituting administrative, civil, or criminal
10 proceedings that may be related to matters addressed by this Order.

11 10. T. REYNOLDS agrees that T. REYNOLDS will continue to cooperate with the
12 Securities Division including, but not limited to, providing complete and accurate testimony at any
13 hearing in this matter and cooperating with the state of Arizona in any related investigation or any
14 other matters arising from the activities described in this Order. This provision shall not constitute
15 a waiver of T. REYNOLDS' state and federal rights against self-incrimination.

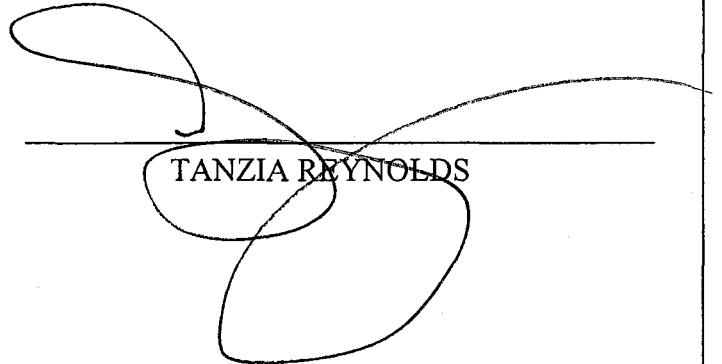
16 11. T. REYNOLDS acknowledges that any restitution or penalties imposed by this
17 Order is an obligation of the marital community of REYNOLDS and T. REYNOLDS.

18 12. T. REYNOLDS consents to the entry of this Order and agrees to be fully bound by
19 its terms and conditions.

20 13. T. REYNOLDS acknowledges and understands that if T. REYNOLDS fails to
21 comply with the provisions of the order and this consent, the Commission may bring further legal
22 proceedings against T. REYNOLDS, including application to the superior court for an order of
23 contempt.

24 14. T. REYNOLDS understands that default shall render T. REYNOLDS liable to the
25 Commission for its costs of collection and interest at the maximum legal rate.
26

15. T. REYNOLDS agrees and understands that if T. REYNOLDS fails to make any payment as required in the Order, any outstanding balance shall be in default and shall be immediately due and payable without notice or demand. T. REYNOLDS agrees and understands that acceptance of any partial or late payment by the Commission is not a waiver of default by Commission.

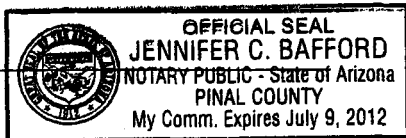

TANZIA REYNOLDS

STATE OF ARIZONA)
County of) ss

SUBSCRIBED AND SWORN TO BEFORE me this 18th day of February, 2010.


NOTARY PUBLIC

My commission expires:



My commission expires:

SERVICE LIST FOR:

ORDER TO CEASE AND DESIST, ORDER
FOR RESTITUTION, ORDER FOR
ADMINISTRATIVE PENALTIES

DEFAULT BY: MICHAEL C. REYNOLDS,
CASH 2 U, LLC, DOS NINAS, LLC, AND
PAR 3 MANAGEMENT, LLC; AND

CONSENT TO SAME BY: TANZIA
REYNOLDS

DOCKET NO.:

S-20692A-09-0372

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Attorney for Respondent Michael C. Reynolds

Joe Keilp, P.C.
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Phoenix, Arizona 85034
Attorney for Respondent Michael C. Reynolds, c/o Michael C. Reynolds,
member of Cash 2 U, LLC, Dos Ninas, LLC and Par 3
Management, LLC

Cash 2 U, LLC
23802 N. 85th St.
Scottsdale, AZ 85255

Par 3 Management, LLC
19275 N. 88th Way
Scottsdale, AZ 85255

Dos Ninas, LLC
19275 N. 88th Way
Scottsdale, AZ 85255